

**MINUTES**  
**City of Newport**  
**Urban Renewal Advisory Committee Meeting**  
**City Hall Council Chambers**  
**Monday, August 10, 2015**

**Advisory Committee Members Present:** Ralph Busby, Rod Croteau, Wayne Belmont, Chris Chandler, Frank Geltner, Ralph Breitenstein, Lorna Davis, Birgitte Ryslinge, Tim Kaufman, and Robert McAfee.

**Advisory Committee Members Present by Conference Call:** Don Huster.

**Advisory Committee Members Absent:** Caroline Bauman, Bill Posner, Ken Brown, Don Mann

**Consultant:** Elaine Howard.

**City Staff Present:** Community Development Director Derrick Tokos and Executive Assistant Wanda Haney.

**City Staff Absent:** City Manager/Urban Renewal Agency Executive Director Spencer Nebel.

**Call to Order:** The meeting came to order at 10:00 a.m. Howard went over today's agenda. She noted that first we will have debrief of the Open House. Then we'll talk about the different components that she sent out in handouts for both the Northside Urban Renewal Area and the McLean Point Urban Renewal Area. The last is socio economic data that requires no action, it's just information that they thought the committee would find interesting. As part of the Urban Renewal Plan and report, we're required to include that information in the document; but it's not an action item.

**Open House Debrief:** Howard thought we received good responses from the Open House. She took all of the comment cards and put them in a pdf, which was emailed to the committee members. She did a summary of the themes of the comment cards, which was also sent. Howard said there was support for the work in Agate Beach. They thought it would be good to have those problems addressed. Affordable and workforce housing was raised. There were strong feelings about the couplet, both against and also that traffic issues need to be resolved. There was general support for infrastructure improvements, for economic development, and support for the need for parking in the commercial core area. She said there were some cards where people were totally negative about Urban Renewal and didn't think anything needed to happen. There is an interest to know and understand. We need to see what we can do for more education and what we can be done to help address that. She said it's clear that people felt that they want to learn more and continue communication. They wanted more opportunities for input, which is a good note for us all. People were supportive of all different kinds of projects. She doesn't think there was a huge amount of support for any one project. The projects people felt were most important centered on Agate Beach work and economic improvements work and infrastructure work. Similar to what we've talked about. She said that other projects people felt should be considered is something we maybe should talk about a little more. Revitalizing the movie theater came up; and she thought maybe the gentleman who brought that up owns the theater. She was told that he wants to. She noted that there were comments that bicycle and pedestrian improvements would be really important, especially from the Agate Beach neighborhood to connect it to the downtown. The Ernest Bloch Heritage Center and considering whether that could be added to the Urban Renewal Area was mentioned. She and Tokos have looked at that and at the potential acreage. At this point, we're very close on acreage. So, they are looking at where they can reduce some rights-of-way that we probably won't need to be able to accommodate bringing that into the Area. At this point, they think we probably can. Derrick was out last week, so they don't have that completely solidified; but we'll know that by next week for sure. The interest in that is potentially helping to renovate that facility into an attraction for Newport. Parks and beach improvement was raised, and that really isn't in the Plan at this point. Continued improvements in crosswalks was mentioned; and that's something in the Plan, we have infrastructure-type projects. There were specific comments about adding sidewalk and lighting improvements on 101 between the Best Western and Agate Beach. Landscape mitigation in Agate Beach. Investing in human capital as much as economic capital. Again, adequate workforce housing. Moving the National Guard Armory off 101 and trying to find a better place for that. Another comment on more housing. Another comment on the National Guard. Replacing it with a farmers' market multi-purpose building or aquatic center. People thought we should do a better job of working with the Hospital District. A police station on 101 downtown was included. Cleanup of the deco district. There was a comment that the lack of landscaping for businesses on US 101 is distressing, and all you see are storefronts and concrete.

Howard thought quite a bit of that can fall into things that we're actually going to do or are within the Plan's ability to do. She didn't know about the National Guard property. Tokos said it would be a discussion that we would have to pick up with the State of Oregon Military Department. That's their current location in Newport. If that's not a location in the future, he thinks we would have to talk to them about what an appropriate alternative location would be. It's certainly a conversation to be had. Croteau asked who actually owns the land. Tokos said it's the State. There's a reversionary clause in the deed that if that location

is no longer needed for that purpose, the property reverts back to the City. It's definitely a conversation that could be had. Howard said that's not anything that we would decide at this point. But if this plan gets adopted, it's something for people to be aware of that that might be a potential area to where citizens feel like some sort of project might be able to happen in the future and maybe a better use could be made of that property if you're looking at future redevelopment opportunities.

Geltner asked if Howard's comment about parks and beaches precludes pocket parks. Howard said it didn't preclude that. She thought we talked about adding the ability for pocket parks at another meeting. She thought we changed the verbiage of one of the projects to allow for that kind of right-of-way acquisition park work. Tokos will take a look at it. He doesn't recall us having a specific discussion about it. He added that we can certainly adjust that category, probably the one that talks about landscape enhancement, to broaden it out to a range of different park and/or landscaping enhancements.

Howard said as always in a public meeting if you ask the question if there are other elements of the Plan on which you would like to provide input, you get a wide variety of input. Everybody has their own decision about what's good and what's bad. She gave a list of that input. She thought the biggest thing for us to learn from this input is people want to continue to be informed. So, we're putting the minutes up on the webpage, we've told people they can come to the meetings. There's another open public meeting on the 31<sup>st</sup>. Then there are the series of public meetings after that. Just to make sure we keep informing people of what is going on and the process so they know where they can get information. She thought there's a lot of concern about the two district plans we talked about; the Agate Beach Plan and downtown plan, and people want to be involved in that. Tokos has given the intention that that would happen. Just to know in the future that as those things do happen, people are interested in being involved in that and know that a lot of decisions will be made from those two planning processes. Other comments that came up are things we talked about; and they would like to provide input on affordable housing, the couplet, and the movie theater.

Overall Howard thought the meeting went well. There was some concern about Urban Renewal, there's concern about where the money's being spent, and on what projects. She said we move forward and help provide information and make sure people can get input as we do so. Croteau thought it was a good beginning. Tokos reiterated that it's a beginning. It was the initial public meeting as this plan's being put together. He thought it behooves us to keep in mind where we're at and emphasize that some of the details will flow out of future planning efforts that are going to be more targeted. Funding would be reserved for a refinement plan in the Agate Beach area and a refinement plan in the commercial core area. That is where many details will be fleshed out. This is a funding program over a long period of time where we don't know all of the details and can't know all of the details about what specific projects will or will not be funded at this point in time. What we are trying to do is frame the different project categories broadly enough that down the road when we do the refinement plans the details can then flow underneath those project categories. It's that balancing act of being clear enough that you can correlate what the project is to the blight that we're trying to address or lack of adequate infrastructure and things of that nature; or getting too specific where we box ourselves in and preclude a future opportunity.

Busby thought of all of the subjects on there the couplet, first of all because it's more money, people are looking for an answer to if we're building it or not. He thinks for public relations we want to explain just what that means. Howard thought there were a number of people from that neighborhood at that meeting that were concerned about what's going to happen to their houses; and rightfully so. She tried to tell them that's a decision that's down the road. This provides a funding mechanism, but those planning decisions will be made in other planning processes. People who live there are concerned. It's understandable.

Geltner asked if we expect the hospital to have a particular voice in that discussion; or does the process take a control over it. It's so public that the hospital's going to be expanding; and this comes up on top of that. He wondered how that discussion will play out. Tokos said the hospital is aware of the possibility. That has been accounted for in our conversations of the expansion plans that that's a possibility. It's the public process that has to drive it because this discussion is about what's in the best interest of the community at large. The hospital is a key stakeholder, but not the only one. We have to make sure the process is structured such that the hospital has meaningful input in any future decision with the transportation network. That input is funneled through a broader public process where a range of stakeholders likewise have similar input.

Belmont thought a lot of this is timeframes; a lot is scheduling. He said the hospital is going to be moving forward on their project probably years before we actually make a decision on the couplet. He wondered if the planning the hospital is doing is in such a way it would allow for any of these options. Is that the way the hospital is looking at this? Breitenstein said the hospital is still in the planning stage. They have buildings and property on both sides; and they don't see having more traffic through there as a benefit. Walking back and forth now is difficult just with the traffic on 9<sup>th</sup> Street, if you go by Abbey at least there's a stop sign. If you walk to the new health education center, you have to watch for cars. He said they have some significant concerns about that part of the plan of the couplet. He said their facilities will probably have more structures on the other side, and there will be more utilized on the 101 side (the west side of 9<sup>th</sup> Street). There will be a lot of foot traffic going back and forth. That's of concern. Busby asked if there's any thought or planning process about bridges or tunnels. Breitenstein said he's thought about that personally. He doesn't know how much they are, but they're not cheap. He said if they had patients on either side, they would have to allow for that too. Tokos said ensuring safe pedestrian movement would have to be part of any kind of

solution put in the core commercial area. Breitenstein said the hospital does have significant concerns and would probably be done with the hospital hopefully in 3 ½ years or so. Part of it will be parking, and there will be a new entrance. Tokos said what he saw on the preliminary design was that the parking on 9<sup>th</sup> Street for instance is being shifted away from there and moved to the east side of the campus. Breitenstein said there will be parking on the west and east sides of the new campus. There will still be parking. Where the cafeteria is and all of that west side is going to be going into parking. There will be parking on the other side too. Belmont said what he was trying to say is if there's a way, at least from the hospital's perspective, that any option and every option is out there for their planning so they can see that what they finally decide is going to integrate into whatever might be the final decision on that portion of the Urban Renewal Plan. He said it can be as simple as having the amount of right-of-way you would need to do a couplet determined and where that fits into their plans as well as the traffic flow. Something as simple and conceptual as that and how that fits in with what they're doing so at least that's all out there, and they are making informed decisions that those are the options that are there. It doesn't commit to anything. The other side of that equation is if they construct in a way it may actually take an option off the table; and that needs to be known. If that's the way it works; that's the way it is. Breitenstein thought they would probably try not to do something like that. They are being reasonable about things.

Busby said one other question that comes up with the couplet whether it gets built or not is the fact that you have \$12.5 million in there that some people will see as being held up for the couplet and could be spent on something else. Tokos said that's a valid point to put on the table; but he thinks the solution to that is doing the refinement plan. That will happen early in the project phase; and at the end of the day in going through that refinement plan if it comes up with an alternative solution then that gets amended in and programed out and those funds get broken out a different way. Busby thought we need to make that well known. Howard said that's a good point.

Geltner said it seemed to him that an engineer could tell you now as opposed to in five years whether you should plan on a tunnel versus a bridge. Those kinds of things would help the hospital know if that's a possibility in the future. It's always going to be there. The problem isn't going to go away even if we don't do a couplet. He said we haven't even started using the health education center in the way it was intended. Howard thought that's a coordination between the hospital and the City to talk about in the future. Breitenstein said there's traffic flow improvement and then there's how you do it. Are we married to a couplet, or are there other things still on the table. Tokos said other things are still on the table, but we wanted to make sure we're reserving resources for a range of options. It's going to take a significant investment in infrastructure to address some of the issues we have in our core commercial areas. In terms of a pedestrian bridge over the top; that's certainly doable. He doesn't know if we need to necessarily engage an engineer on that. It's a matter of cost and where it goes and things of that nature. Howard thought that comes in in that planning process. Tokos agreed. It's not something we would really be able to ferret out at this point. Croteau thought we have to understand too with the hospital expansion, traffic on 9<sup>th</sup> Street and pedestrian and patient crossing will be a problem whether there's a couplet or not. Something will have to be done. McAfee said there's already going to be a traffic impediment there; not just to the learning center.

Howard said our next public meeting is August 31<sup>st</sup>; and we have another committee meeting before then where we can talk more about exactly how we want to run that meeting. The one thing she wanted to make sure was if the committee members had any input on notices and recommendations on what to send out in the notices. She knows last time people felt we should have sent out a project list; so we can certainly send that out. On the one hand we don't want to inundate people with paper and it's expensive to mail, so we want to be responsible with what we send out. On the other hand, we want to make sure people get enough information so that if they're interested they'll come to the meeting. She wanted the committee's input on what to include there.

Geltner said the idea of any one representative for the City Center Newport Association is simply not possible. He would hope in the public process, especially for the area that he represents which is essentially Highway 20 to the bridge, that the City will help engage those folks because not every business is a member of the Association. They all pay taxes and are here doing business. He would hope that we could partner. Howard asked if it would be helpful to come to one of the Association's meetings. Geltner said a lot of people affected are simply not involved. It's one thing to have an Association with a dozen members, but there's a larger group that simply doesn't want to be involved. Tokos said that's a challenge. We are contacting them directly via mail. We did for the first meeting, and we would be sending out another direct mailing and also picking up individuals who attended the first meeting to supplement that. He asked if Geltner had some thoughts about how we can reach these people independent of that. Geltner said not at this time.

Howard said she's here all day that day because we'll have the morning meeting, and then the night meeting. So, if we wanted to have somebody go door to door and invite them to come to a separate meeting in the afternoon. She usually finds if there's somebody that goes door to door and says the City and the consultant is going to be here if you would like to come talk to them. She said why don't we have a discussion about maybe setting up something where they could come talk. She said maybe the Chamber would want to think about whether we would make it a joint offer to the businesses to do something like that. Howard's open for that; she's out here anyway. She said they'll talk about that. Geltner said the Chamber is 600 versus their group, which is less than 50. He said the Chamber as a whole has a lot of them that have no interest in what we're doing in that area; but a lot do. Howard said let's follow up on that and see if that's something you think we should do or not. Croteau said that the News-

Times has carried a few articles on the topic of Urban Renewal. So, it's critical that we really push. Howard said and make sure they get something in the paper about the meeting. Unfortunately last time there was a glitch; they had been given notice, but they missed it and didn't get it printed. She said we will try to make sure that happens. Busby said to make sure it goes to Dave Morgan and Larry Coonrod, too.

Howard said she saw nods about the project list so assumed that everyone agrees with sending out the potential project list. She said we would make sure there's a link to the website at least for those who have computer access. If people want to come in and look at the documents, they could certainly do that too. Chandler thought the agenda and projects list should be enough. She said you could even print them on both sides to save cost. Tokos said he was thinking about putting out two sheets this time. The agenda and map is one so they know where the boundaries are. Then the potential projects list; and Nebel had a suggestion about past projects that have been funded so people can visualize what's been done in the past. With those, that would be two full sheets front and back. He wondered if that sounded reasonable. Belmont said maybe one or two pages with frequently asked questions; just an explanation of Urban Renewal. Howard said she has a fact sheet that just talks about what Urban Renewal is. We'll have that for the meeting, so people can pick it up and take it. At Belmont's request, Howard said we could put it on line too.

Howard said at the next meeting they would like to talk to the group a little bit about ideas of how you want to get public input. She said that Nebel talked about breaking it up into geographic areas. She said it will be more of an open house than a formal presentation so people can come in and ask questions and give feedback. Typically you get more feedback that way where people can mingle. Howard said if any member has ideas or concerns or thoughts, we can go over that more at the next meeting and you can help make sure it's a great event.

**Projects List:** Howard showed a slide listing the projects, and said she didn't know that the group needed to go over this again at this time. Chandler asked if this group will help finalize a list of projects for recommendation to the Planning Commission and the City Council. Tokos said that would be part of the recommended package at the end of the process after we clear the financials. Howard noted that the financials will be next week. She's been working with ECONorthwest on the financials and just about have them ready for Tokos to look at. One of the things they do when they do the financials is a finance plan. In that finance plan you look at how you spend that money over the years. She will be working with Tokos and would like some input from the committee just on priorities for how you put those in. Like we talked before, those can change over time. So what you say may be a priority that gets spent in year five now if at the point when you get to year five and something else came up that is more important, you can change the order. You can't add projects unless you do an amendment, but you can change the order of priority. What they've put in now is just that the two refinement plans are the first two orders of business. We won't start allocating money until we know exactly what that money gets spent on. So we're looking at the Agate Beach refinement plan and the commercial core refinement plan as being the very first two specifics in terms of projects. Then we have to go through and try to allocate other funding. Legally we can do that by just putting major categories in knowing that those refinement plans are going to help you make those decisions. It's irresponsible to say now that the next project is going to be "x" because we don't really know what the next project is going to be until those refinement plans get done. One of the requirements of the statute is we have to show it's financially feasible to actually get in that amount of money and allocate that amount of money. Sometimes what we do is do it in larger categories; transportation system improvements is the next category that gets funding, or maybe economic development. Not being really specific after that so that once you've done your refinement plans you can go in and fill out that information. She said it would be good to get a little input from the committee if you have thoughts about that in terms of priorities beyond the two refinement plans. Tokos said one of the keys with the financials is you'll find; again we're talking about we have a fixed amount of assessed value to work with to generate tax increment, and then we have a lump sum total that we would be expending on various projects which is reflected there. When this comes together, that's going to drive the life of the district and is going to give, particularly the other taxing entities, better understanding of the relative impact in each of the taxing entities. So that may cause us to want to adjust either that overall number, which right now is just under \$40 million, or not. He thinks that's definitely going to be a time when we will want to get back into it. He said we've already done the walk with every one of the taxing entities with the feasibility study so you have a sense of what the impact would be there. But these numbers will be slightly different. So you want to take a hard look at that.

Howard said in the finance plan, we're making an assumption that administration gets added in, so it brings that number up to that \$42 million that the City Council established as their sidebar. So, the \$39.3 million is the project and program part and then goes up to \$42 million with administration.

Chandler noted that the new municipal pool project is pretty tremendous for this area. She wondered if it's possible that Urban Renewal money could be used to pay for a parking lot or something to help support the pool project. Tokos said timing-wise it doesn't work very well because the parking has to be in place for when the pool opens. The pool will be up and running well before there's enough increment generated from a district to be able to do anything. Timing-wise it's an issue. Certainly that type of project could be funded through Urban Renewal, and it has historically with the original Northside district the City had; but timing-wise he doesn't see it syncing up. Chandler said the bonds are paid back over time. Is it possible Urban Renewal could go in later? Tokos said the issue is we don't have any Urban Renewal money right now. Chandler said but we will later;

and if the money's budgeted for later down the road, is it possible to add the Urban Renewal dollars in five or seven years as those bonds are getting paid off. Busby asked if she's saying use the Urban Renewal money to pay the bonds. Davis said it's like borrowing ahead; and we talked about that at one of the first meetings. There is a potential to borrow ahead. Howard said you really don't want to do that until you have an Urban Renewal Plan adopted and in effect. You can't really commit something that's not approved. Once it is approved, you can use City funds and repay out of other funds. It is a legal action that you could do once your plan is approved. Parking would be a legal thing that you could pay for; but you couldn't commit to that now without having an Urban Renewal Plan in place. Tokos thought we would have to look into whether or not you can even expend it in that manner if the improvement's already on the ground before the district's formed. Howard also wondered about repaying it after it's done. Tokos said that's a little tricky. Howard said she's never done that; and she didn't know if you can.

Chandler asked when they anticipate the plan being done. Howard said hopefully if we stick to our timeline, the plan would be approved before the end of this calendar year; which means the first increment would be starting next November (November 2016). Then the question is at that point how you want to allocate that increment; do you want to allocate it off for a parking lot for the pool or allocate it to start getting your refinement plans done. Busby asked if we used that money to pay off the bond, wouldn't we in effect have to give the taxpayers a refund. Chandler asked if we just didn't hear that's an allowable use to pay those off. Howard said she didn't know; she's not done that. It's an allowable use if the City had a project that's in the Urban Renewal Area. Say once the plan's adopted, you want to get started on that Agate Beach refinement plan before you have your increment in. You have an adopted plan, there's an intergovernmental agreement between the City and the Urban Renewal Agency that once that increment comes in they would repay; she knows that works. This other wrinkle, she doesn't know. She would have to go to her attorney. She hasn't done it before. Tokos said we can have that question answered for the next meeting.

Howard asked if putting the projects in the large general categories work for the committee understanding that the refinement plans come first to help identify the smaller projects. That would be what she would recommend because we don't know for sure all of that intricate information until you've completed those. She has done that before in many plans. That's the typical way that we approach this. If you know for sure what projects you're going to do, then you go ahead and put that in. Some Urban Renewal Areas say they know that this is happening first. But we have some planning to do first, some identification, some specificity. So for her, it would be better to do it in a large project category. Busby agreed, but he thinks that's a kind of a public relations thing. The average person sees Urban Renewal and comes to a meeting and says are you going to pave the street in front of my house or not. Howard said it means we have to do a good job of explaining that we have two refinement plans that will be the drivers on the actual spending and be sure and make that clear. Maybe that's some verbiage that can go into the notice. If we're sending this list out, she thought it would help to put a paragraph about that in the notice so people get some idea of the process.

Geltner said it seemed to him that you could have more than a single use out of some improvement like that. That would fit into our larger Urban Renewal needs. We have strategic site acquisition for economic development. He said from the City Center standpoint, they don't think there's enough parking. Obviously people want to be within twelve feet. Even though we have our lot at 9<sup>th</sup> and Hurbert that always has space; they would like it to be closer. He's sure at the pool, the same thing. But the pool is going to be close to 101, so the parking could have multiple purposes other than just to serve the pool. Howard said that was a good point. She said she has never worked with a city that said they have enough parking. No matter how much parking there is, the business owners always say they need more parking.

Howard showed a slide listing the McLean Point projects and noted that these are the ones we talked about, and those haven't changed since we initially started talking about them. She said that the priorities on those will happen as they are needed for development. Tokos noted that there is one change that the Hall family has requested. That is on the water line extension upgrade to generalize that so that could also potentially cover electric utility extension; so it's more of a general utility category or somehow weave a more general utility category into it.

Geltner had a question about what we're calling this area. He thinks the general public has no clue what McLean Point is. They know what Port of Newport is. He thinks it's a Port of Newport project. He thinks to not have to constantly explain it, because even at first he wasn't sure whether it was on this side of the bay or the south side. People kept saying Idaho Point, and he thinks Idaho Point is on the south side of the bay. He said most people don't know what McLean Point is. Chandler said the Port doesn't own the property. Tokos said they own some of the property but not all of it. Chandler said what if we called it the East Yaquina Bay. The east portion of the bay is really what we're talking about. Howard didn't care what, but said let's call it something that people understand. Breitenstein said it's a matter of education. Howard wondered if putting Port/McLean Point would work. Geltner said he didn't think it mattered if the Port owned 10% of it or 90%; it's still a Port of Newport project. People will understand that. McLean Point, as Breitenstein said, you have to educate people what that is and where it is. Howard said so if you put "Port-" that kind of tells them it's a Port project and gives them a location. If they don't know where that is, they can ask. Busby said one thing with using the Port's name, you have to explain what the City's responsibility is and what the Port's responsibility is. It sounds like we are doing the Port's job for them. He thinks that's something that will come up. Tokos said if you put Port of Newport in the title, people will think it's their Urban Renewal Plan; and it actually isn't. That's a little tricky in that respect. Geltner said he's happy to leave it as it is as long as we make an effort to inform the people. Chandler

thought there's a lot of education to go that route. Howard asked if East Yaquina Bay is better. McAfee said east bay to him is beyond McLean Point. Busby said you could go all the way to Toledo. Howard said maybe sending the map out as part of the mailer will help. Maybe we can add in a paragraph explaining it a little bit. McAfee thought even just the words McLean Point on the map. Howard said maybe it would help if we can get the newspaper to put a map in that would label it too.

**Goals and Objectives and Sections of the Plan:** Howard noted that she sent out the goals and objectives with the tracked changes in them. She asked if anybody wanted anything changed on that or had any questions. Breitenstein said in reading over the minutes, it looks like a lot of time was spent on this at the previous meeting. Howard said it looks like nobody came with a burning issue, so she thought we would move forward with the changes to the goals and objectives for both. Geltner said these two handouts both look identical until you get to a certain point. He said it might be nice if at the top you say Newport Northside for the one and MacLean Point for the other. As a handout, he didn't know if he had the same thing. Howard said she had it down on the footer, but people might miss it down there; so she can put it up on top. What happens is we produce an Urban Renewal Plan, and this is a component of that. There will be two separate documents that will have their own titles on them, so it will be really clear that they're two separate things. She said we'll make sure that's clear on the web.

Howard said we talked about the amendments, and we talked about the components that we wanted to make sure were in the amendments. Looking at the Northside Urban Renewal first, she noted that she added in the major amendment section that we talked about before. She specified that the Planning Commission is the review body and that there is an ad hoc committee that would also give input to the Planning Commission on major amendments. Then we specified which of those changes would be major amendments: so an increase in the duration of the timeframe of the Urban Renewal Area, and that also requires consultation with the taxing districts if that happens; the deletion of land that total more than 1% of your existing area; and adding any project costs. We talked about all of those before, so this is just how it looks in print. She wanted to make sure the committee looked at that and felt like she captured what the input was. The other category under that is the minor amendments. There's also the category about amendments to the Comp Plan or Zoning Code. Sometimes property changes zoning and we put a map in of the current zoning of the Urban Renewal Area when we adopt it; but that doesn't mean you can't change the zoning of it in the future. So you put something in your Urban Renewal Plan that says that gets incorporated within the context of your Urban Renewal Plan if there's a Comp Plan change or a Zoning Code change. That's just something in every Urban Renewal Plan. Howard said on the amendments section, the duration is really the only thing that we didn't talk about; and that's the next section after this. She asked if everybody was okay with the language they put together for side amendments. Geltner had a question on page 3 item "D" where it says "without any separate action," he wondered if that's legal. Howard said it is. She said as part of these documents, you have to identify what the zoning and comp plan designations are within the Urban Renewal Area. We put in a map and chart. If the city makes a zone change, that data is out of date. That doesn't mean you have to go in and change all of that data; it just means it's really irrelevant to the Urban Renewal Plan. It doesn't cause problems with the Urban Renewal Plan if you change the zoning or the Comp Plan designation of a property that's in your Urban Renewal Area. It's just a legal fine point. Tokos said the City is going to want to be cognizant of any major change that would preclude the implementation of a significant Urban Renewal Project. That's something we would want to keep our eyes on.

Howard said we talked about duration of the plan, and it seemed everyone was comfortable with adding a duration of the plan. She has a first draft of the financials in, and this can change; but we'll talk about this number knowing that it might move. It shows that the plan would probably take 23 years to implement to reach the amount of maximum indebtedness we've identified. She said that's typical for an Urban Renewal Plan; 20 to 25 years is a typical timeframe. The caveat she wanted to talk about here is that they put in a 4.5% increase in assessed value assumption in the Urban Renewal Plan, which is pretty healthy. It means there's a lot of development that occurs within the Urban Renewal Area. If that development doesn't occur, if you don't reach that 4.5% amount, then you don't reach that 23 years of getting enough money to earn that \$42 million we're talking about. She had said that she's uncomfortable with putting a duration limit on Urban Renewal Plans just specifically for that reason. But she thinks it's a consensus that you want to. She said we need to talk through that issue a little bit. Tokos asked for clarification, when Howard says 23 years is that 23 years to expend projects and retire the debt. Howard said yes. Tokos said all of the debt that had been accrued; not just expend projects and then have several years of just strictly debt retirement. Howard said she's pretty sure that it's bonds all paid off at the end of 23 years. She said next meeting is the financials, so she will have that for sure. She didn't think we will fill in a number on this duration yet until we go through the financial plan. This is just a component of the plan that you've talked about, and she's giving the group some general information to think about what that might mean.

Howard said when ECONorthwest did the feasibility study, they put together a chart that she showed on the next slide that looks at what the assessed value growth in Newport has been. The average growth in the City has been 3.65%. That includes those horrible years of recession we had where it was like 1.2%. In our general economy, it was 3.9%, 4.9%, 5.27%. When the economy isn't in a recession, we're meeting that 4.5%. Urban Renewal is supposed to cause new development; so it's supposed to make you go above what you normally would do. She just wanted to be clear to give facts about assumptions so that nobody comes back and says "you didn't really tell us this." She thinks the 4.5% is not aggressive. When ECONorthwest does feasibility studies, they usually do a 3%, a 4.5%, and a 6% growth. The 6% is considered aggressive; that's like Bend. A booming economy would be doing a 6% growth. The 4.5% is a moderate growth. It's saying you have a healthy community and things are happening. The 3% happens annually on your taxes unless you're in a recession. Anything above that is new construction or

major rehabilitation. That's assuming you have a healthy share of new construction and major rehabilitation within that area. We've included residential areas up in Agate Beach that potentially are going to have some substantial development; so that will add to the assessed value that will help with that 4.5%. She said we have to look at our other areas and say do we see other sites that will develop to get us to that point. She said they've agreed with the City that they're using that 4.5% assumption now. She thinks that's a very fair assumption. She wants the committee to be cognizant of that when setting the duration of the plan. We'll know more next week when she can lay out all those financials. At that same time she'll plug in a 3% for comparison. At the end of the feasibility study, the City gave them direction to use that 4.5% that they felt comfortable with that moderate assumption. She can see that there's going to be development. Those are facts that she wanted the committee to think about and consider as we move forward.

Howard said the next section of the Plan is fiscal stewardship. She said we talked about this quite a bit at the last meeting. This is just putting it in writing. She noted that Tokos had asked that especially on the under-levy that we set up a procedure for that so it was clear. She has worked with a couple of communities where they've done under-levies before. There's no procedure set up for that. She asked them what procedure they used when they considered their under-levy; and she took that and modified it a little bit to try to set out a procedure for that. That's part of what she wanted the committee's input on. She said on the annual report one; we talked about that, we talked about making sure it was sent out, we added that the annual report will include a statement of the remaining maximum indebtedness (the \$42 million). The reason that's really good is sometimes your finance director changes, and the new finance director doesn't know they're supposed to keep track of all of that stuff. Having it within your plan will help in having it every year within your annual report and will make sure that it gets tracked and doesn't fall through the cracks. The revenue sharing will be something that will actually get sent to the taxing jurisdictions as part of the adoption of the plan. We'll send a notice to all of the taxing jurisdictions and say this is the projected financial impact of your plan. If we see revenue sharing happening, this is the year we would see it happening. That notice will happen up front. We'll comply with that. This is just making sure that becomes part of it. Once you have this here, it will also make people think about as we do substantial amendments, that's an important factor to keep going on.

Tokos asked Howard to cover the thresholds on that again. Howard said on revenue sharing, once you reach 10% of your initial maximum indebtedness, you commence revenue sharing. For the Northside Plan that would be \$40 million. For the Port/McLean Point Plan, that would be \$2 million. So 10% of that amount. Once you get that amount on an annual basis, you begin sharing a portion of your tax increment with taxing jurisdictions. Once you reach 12.5% of that initial maximum indebtedness, you're capped at receiving that amount annually. You don't get to receive any more than that; the rest of that growth goes to the taxing jurisdictions. Tokos said you could think of it as an automatic under-levy. Howard said yes, if your district is really successful. When they do the financial plan analysis, they plug those formulas in; so in the finance plan, as soon as it hits that amount, it shows that there's a split-out for the taxing jurisdictions. So as we look at the duration, that information's included. Breitenstein asked generally how long it takes to hit that. Howard said a long time. Usually it's like the 20<sup>th</sup> year of a plan. She said this happened in 2009. What happened was that sometimes Urban Renewal Plans just kept going on and on and increasing maximum indebtedness. Taxing jurisdictions said they wanted constraints that will help them out. Mostly due to the City of Portland, if you have a district that goes on and on and is successful, they want to share in that success. They don't want you to keep taking all that money forever. This requirement makes it so they have to share in that success. In new Urban Renewal Plans for communities outside the major metropolitan areas it usually only happens fairly late in the plan. Tokos told Howard that it would be helpful to put the thresholds, those percentages she just referred to, in there; and then "or as amended by statute" so we have that covered in case there is a change.

Geltner asked for the sake of everyone in the room, if Howard would give the layman's version of what under-levy means. Howard explained that you never used to be able to do this before 2009. It was one of the other changes that the taxing jurisdictions negotiated through the Legislature. Once you establish an Urban Renewal Area, all of those taxes off of that assessed value goes to the Urban Renewal Agency. Before 2009 they couldn't say they didn't want all of the money; they had to take all of that. In 2009 there was a change that said each year you can make a decision whether or not you want to take all of that money that's due to you. You have to give the Assessor a notice if you don't want to take it all. That can happen for a number of reasons. She thinks it's only happened twice in the state since then. In La Grande they had a problem with their city budget one year; they had a shortfall that was unanticipated and they went to the Urban Renewal Agency and asked them to under-levy that one year so the city would have enough money to pay their debt. The Urban Renewal Agency was able to say they could do that that year. Linn County asked Albany to under-levy; but Albany had commitments for debt service and didn't have any extra money and couldn't do an under-levy. The City of Wilsonville has a voluntary under-levy on one of their districts. They have a development that's a whole new housing development on the west side of I-5; and it has been very successful. Their other district is the one they are under-levying. It's kind of a downtown commercial area. They made a decision even before 2009; but the only way they were able to under-levy then and not take that full amount was to take acreage out of the Urban Renewal Area so that they were taking less increment. Now what they are able to do instead of taking acreage out is to say they're only going to take "x" amount of money out each year and the rest of that money goes to the taxing jurisdictions. She said usually if an under-levy occurs it's because somebody is in need of money for their budget, and they're looking at places to find that money. Urban Renewal is one of the places they want to look at. In talking with the other jurisdictions, the first thing you have to do is look at your existing bond covenants and see if you can legally under-levy. Existing bond covenants usually say "we want you

to dedicate your full income stream towards paying off the debt because we want to make sure our bonds are good.” She’s worked with a couple of jurisdictions, and they have had to go in and amend those bond covenants. They’ve talked to the bond holders and asked them to amend this covenant to allow us to do this under-levy. They’ve gotten them to say that because they’ve had sufficient debt coverage ratio they’re able to do that. They’ve had enough money to cover their debt plus extra money to be able to do it. That’s the first thing you have to look at. In talking with Tokos about laying this out, they thought what you might want to do is when you place a bond if you do an under-levy as a potential is to make sure you don’t have a bond covenant that requires you to pay all of your money towards your debt service. Maybe you just want to have your bond covenant cover that debt service ratio. She said that’s why they put in that first thing. The other thing you need to look at, since you’re having a duration for part of your Urban Renewal Area if you decide to take less money, is that going to make your Urban Renewal Plan go past your duration date to be able to do all of your projects. That’s something we would have to identify and make sure. Our projections are saying we’re going to get “x” amount of money, but if we take some of that money away and give it to the taxing jurisdictions, it’s going to make a change in our financial analysis. So that’s a second step we would have to go through. The third thing, if that happens, do you get rid of projects, do you change the amount of money you pay for projects; what impact will that have on you. You have to identify what projects you aren’t going to do. The under-levy is not a really simple process. It’s something that we need to consider the implications on our Urban Renewal Area before doing it. She said what they set out here is a process for when a request for an under-levy has to occur; and then a process for the City on doing that analysis; a process for paying the City to do that analysis because if they have to hire a financial consultant to come in and do those projections, that’s a cost they wouldn’t normally incur; and then what kinds of things they need to look at in terms of evaluating an under-levy. She said since this is the first time she has done this, it would be great to have the committee’s input on it.

Ryslinge asked if this comes about or is tripped because one of the taxing districts thinks they have a financial need. She wondered if it’s then granted just for that one that’s requesting, or it trips it for everyone. Howard said if you do an under-levy; let’s say you’re going to get \$350 thousand that year and you under-levy so you only get \$200 thousand; that \$150 thousand goes back to the Assessor who sends it out to all taxing jurisdictions based on their tax rate. The City would get a portion of it. You can’t under-levy and say it goes only to Lincoln County and nobody else. Another place they have done an under-levy is Lebanon. Linn County asked them to do an under-levy; they consulted with all of the taxing jurisdictions. The school district didn’t really realize the impact on them. They had a local option levy and they ended up getting less money instead of more because by doing an under-levy it affected compression rates; and those compression rates impacted their local option levy. She said now they know that. That was the very first one that happened. If they’re working with a consultant that’s worked on that, they can go to the school district and say “we’ve requested an under-levy, and we need you to review this and tell us if it’s going to have an impact on you as part of our analysis.” Ryslinge said that might be something to call out earlier in the statement under under-levy to just clarify that regardless of whoever requests it, if granted, it applies to all. Howard said that’s a good point. Ryslinge said it might have unintended consequences on the others, which is referenced in “d”, but it might be worthwhile to note earlier on. Howard said with compression and Urban Renewal the only thing it has a major impact on are the local option levies; and it’s usually just the schools and sometimes fire districts.

Geltner asked in the hierarchy of ORS where this fits. Somewhere down the road someone is going to have to interpret this. Does it get signed, and by whom? Howard said this plan gets adopted by our City Council. He asked if it get officially recorded. Howard said it does. Chandler asked if it’s signed by the City Manager, the Mayor, or whom? Howard said City Council. Our City Council is the only body that has the authority to adopt an Urban Renewal Plan regardless of who the City Manager is, or the administrator, or the finance director.

Howard said we also have the provisions in our amendments plan about how we can change it. That’s why the amendments section is important. She said you have the ability to do an under-levy by statute. It doesn’t have to be in your Urban Renewal Plan; statute provides that ability. She thinks the City Council had an interest in that, and in the resolution that they adopted they specified under-levy. So they felt it was important to identify the issues in it and to lay out a process for it. Tokos said this isn’t to preclude under-levies, it’s more about ensuring there’s an actual process where it’s documented and all parties understand what the ramifications are with decisions so that it’s not done in an ad hoc manner on a budget-to-budget basis and we end up with an Urban Renewal Plan 20 years down the road and we’re going why weren’t certain things accomplished and you have no paper trail of what the decisions were and what the conscious choices were by elected official along the way.

Tokos hadn’t had time to review this because he was out of the office, so he had a couple of comments. He’s wondering if where it says “the Agency will within 30 days of the under-levy request,” it seems to him that’s an appropriate threshold of whether they even want to go down that path. If they have that flexibility under the statute, he thinks that’s where that should happen. It could be that an under-levy request comes in and they know flat out that that’s problematic because of an upcoming borrow that’s about to come in. So why go through the process of a “dog and pony show” if you know that’s where you’re going to end up. Howard asked Tokos, so you would change that to “the Agency will within 30 days of the request determine whether or not to review the request.” Tokos said “determine whether or not to proceed and at that point in time would advise the requestor the cost to conduct the financial analysis.” Howard said, and if you’re going to proceed. Tokos said then we would advise them of the cost that they’ll need to pay for the financial analysis. He said understand this could very well be the City doing this too; they are a taxing entity. Belmont said the one they had in Lincoln County, Lincoln City actually did an under-levy. They’ve

done it for two years now. It was initiated at Lincoln City's request. Howard said in La Grande it was initiated by the city themselves. She thought it is true that if you just did a borrowing also, you would say "we know there is no use going through the process and stringing it along; we know for sure we can't do this." So it makes sense to just stop it at that point. Belmont's question with that is do you want to identify some objective standards that you could utilize in making that analysis. Tokos said that's a good point. He was just thinking of it in terms of either a financial commitment that was just made through a borrow or a financial commitment that is about to be made. In other words, where the resources simply are not there because they are otherwise committed or soon would be.

Howard said her biggest concern of an under-levy for us is the impact on the duration of the plan because if we're going to put a duration on our plan and if you end up giving money back. That might work if our area is really successful, but if it just meets those expectations, it would mean the plan would go longer and you would be in violation of that duration. There is a provision for changing that duration. She said you could say "if an under-levy is really important, along with the under-levy we're going to go in and change the duration of the plan." It's not like you don't have options there. But she wants us to be realistic about what the constraints are. Geltner asked if that's substantial, major, or minor. Howard said it was major. McAfee asked if the reason we want to put a date in there is because we don't want people to think this is an open-ended taxing entity. Doesn't the Urban Renewal District expire when we reach the dollar amount? Howard said it does expire when we reach that dollar amount. McAfee asked if that's not good enough. It seems to him if we say when we get to here, we're done. Belmont thought from a taxing entity perspective, what you want to do is accomplish something and then what you do is retool. If he were here 25 years from now, let's say we accomplished \$35 million in projects doing this; he would be saying maybe now it's time to retool. What you do is release that increment and start over again. Now all the taxing entities have the benefit of what Urban Renewal is supposed to do. He would really strongly urge having that duration limit. Then you re-examine where you are; do we start from scratch or do we make an extension. You can make those decisions. You have to have a point where you're ending and making a decision to go forward or not.

Croteau asked if you could take a projection and just add five years to it. Howard said you could. You could take your duration and say our projections say it'll end in 23 years, and to give us some leeway we're going to make it 25 years or 27 years. That would be the duration point. You could do that. Croteau said just get a safe end date on it so people are comfortable that it won't go on forever, but with enough margin that we're not going to run into trouble. Howard said that's a good way to do that solution. Once you start talking about these things, people get fixated on them. The dollar issues are what people always get fixated on. You want to be able to explain that and have the general public understand that there's a reason for that decision, and it gives you more flexibility to do other things like the under-levy and evaluate that and evaluate financial things. But you also don't want people complaining and saying "they really say 23 years, but they're really going to take 28 years."

Tokos said he was looking at "3(c)(1)", "will the under-levy cause an extension of the duration of the Plan," and he thinks it's best to eliminate that. Because we can't know, if we had an under-levy request in year five, whether or not that's going to cause the plan to have to be extended or not. There are a number of years where you could have additional increment, plus we have a process for extending. So he doesn't know if we want to have a criteria where we say it's going to force that conversation. Plus, is it productive? In his mind, it seems the more productive question is how that will impact your priorities on projects. As opposed to forcing an extension. That's really what the question is. If you're going to do an under-levy, what are you going to give up or potentially give up if you can't get it done; and that's conscious decision is made. Belmont thought that might actually be a good way to look at this. Because he guesses what you're actually saying is if we're going to under-levy, what you are going to do is give up some projects. It doesn't necessarily rule out an extension, it doesn't pull that out as an option but it more forces the discussion of what do we give up; what do we forego. He liked that.

Howard said as our consultant what she tries to do is protect us. So, if you don't have that included in here and you decide you want to amend this section to go out to duration, do you then get conflict because people would say that was never considered here; why now are you considering extending the duration. This at least gives you the opportunity. It's just a fact we need to know. Tokos took her point. He said he's thinking of it in terms of, say you get to the last ten years of your plan or the last five years of your plan, and you have a paper trail where there have been a few under-levies and there were some choices. You've trimmed your project budget accordingly, and there's a general thought at that point in time if we can extend this a few more years, we can accomplish those projects and they're still timely. Then that's a conversation at that point to have with the taxing entities saying "we're five years from the expiration of the district and we had to trim a, b, c, and d based on these requests." Everybody would know about it because it's part of the paper trail. Then you have that conversation; "Are we up to extending it by five years so we can ramp up those projects or not?" Howard thought that totally works. She said what's here is the most conservative way to do it, which she thinks you start with. She doesn't mind taking that out. She will strike number 3(c)(1).

Ryslinge said that discussion put her back to the differential between the substantial and the major amendments. The discussion that was just around ensuring that priorities whatever the plan is that new things as they happen don't derail priorities that were previously established. She's thinking about that and reading the differential between the substantial amendments will trip sort of a restart of the process; and the major amendments that go to the Planning Commission and the ad hoc committee. She wasn't at the last meeting where this was discussed, but what she doesn't see is that question of project priorities reflected in the

substantial amendments. She said we're going to be going through a long process of trying to identify key areas that the citizens feel should be reflected in this plan. When she doesn't see a shift in priority tripping the substantial amendment piece, and then she looks down below and sees that any new project in excess of half a million dollars. On the initial list we have ten things that are half a million dollars or less; and it seems to her that it sets it up so in the future there could be a process where you could see a shift in priorities without engagement. She was wondering if this group should be considering where you go between flexibility for the future and priorities. Howard thought that was a really good point because you aren't specifically identifying all of those projects now. It may be under the major amendments you want more of those. Maybe once the two refinement plans are done, they should go through as a major amendment to the Planning Commission and ad hoc committee to set up. That would address what Ryslinge is talking about.

Tokos shared how we've done it in the past where we've done a refinement plan, which was Coho/Brant in the South Beach Urban Renewal District. In that we had a lump sum in the plan for improvements to existing rights-of-way. Similar to this; a general category with a call to do a refinement plan for the Coho/Brant area. We did the plan through a legislative process; amendment to our Comprehensive Plan and ordinances. Through that process, we worked with the community to identify specific projects that they wanted to do there, and then the relative priority of those projects in tiers. We actually then did roll them into the Urban Renewal Plan after that through a minor amendment. In the Urban Renewal Plan they were never identified specifically as priorities; just as projects. The tier priority was actually in the Comprehensive Plan changes that we made; and that was through a full legislative process. He wanted to share that so Ryslinge knew how it kind of worked then. He is open to tweaking this stuff; but it seemed to work fairly well in large part too because that kind of process is better separate from this because you're getting into very detailed things: specific street widths, whether sidewalks happen or not, if they happen which side or both sides, what width, should trees be preserved, should utilities be undergrounded in certain areas. You get into that kind of nuts and bolts. So you bring different players in. And people knew the plan was already in place and that there were resources behind it to make that happen within a certain amount of time.

Howard wondered if we would define that more under the refinement plan category when we talk about projects. We could talk about the process. Tokos said you have a separate process for refinement plan that has public hearings as well. Howard said that would help give the assurance to people that there was public involvement. She asked if Tokos is comfortable with that. Tokos said that's fair. Those refinement plans have to be legislative processes and have to have public involvement and are only effective if you have significant public involvement. Howard asked if that helped Ryslinge's concern. Ryslinge said she was raising something that she didn't have a specific answer to. She was just looking at the language here, unless we grew a space or the indebtedness grew, it really wouldn't trip this process. But now there's another process. She said it's just the community transparency and all of that. Howard said in the Urban Renewal Plan we do define projects, and the definitions that are written out are very general as we discussed. But under the two refinement plans, we can add more specificity to put in the process that Tokos just talked about. And specify that it will go through the legislative process, and that then does involve more public input and notice. She thought that was a really good point.

Geltner asked if this is our last crack at this. Howard said there's never a last crack, but she's hoping that this would be your major last crack. Certainly at our next meeting we could go through that if you felt uncomfortable about something. Geltner wanted to be sure how we left that "the plan will not exceed \_\_\_\_." Howard thought we wouldn't deal with that specifically until next week when we have the financial analysis. We'll all know that's a potential, and we'll look at what the projections say; and then decide how comfortable we are with that and whether we want to do it tied to that or give some room. That recommendation from the committee would be made next week.

Howard said the last thing is the administration. This just talks a little bit about why. It does cost to implement an Urban Renewal Plan. We talked a little bit about the process. She noted that Tokos wanted to have this identified, and he hasn't been able to review this yet. She said what this requires is that an order is signed between the City and the Urban Renewal Agency specifying a certain amount annually that will be used towards administration. It becomes a contract between the Agency and the City. It becomes a public process and public information and a good way for them to track their spending because any administration that you use goes against your maximum indebtedness. Geltner said he sees the word "Agency" many times but doesn't see a point where we're specific about what we mean. Howard explained that gets defined in the Urban Renewal Plan on the first page. The Agency for Newport is our City Council reconvened as an Urban Renewal Agency.

Howard said the section for MacLean Point is very similar except where you get over to fiscal stewardship, under that they do not anticipate doing an under-levy there because the maximum indebtedness is so small that it doesn't make sense to do that. And they don't anticipate anybody charging administration to that again because the \$2 million is so small you don't want to delete your ability to do projects. Someone can still request you to do an under-levy. You will reply to them; but we aren't building it in as a component of the plan as we are on the other one. Busby said to be consistent with administration, since we have administration in South Beach and in Northside Urban Renewal, shouldn't we also have some amount of administration accounting toward this Urban Renewal Area even though it's very small. Howard said that's a good point. At this point it doesn't have it; so if we want it we need to change this. We can get committee input on that. Busby said he could see the finance director being the most concerned because of consistencies in accounting processes. Howard said it is proposed at this point to

be different, and the reason for that is there are four public works projects and not much money. Breitenstein asked if what Busby's saying is to keep it consistent with the other, which is probably good. Geltner said he tends to agree. Howard asked if anyone had a problem with putting it in. Croteau said it's a minor change and is worth doing. Geltner asked if it's going to be the exact same language. Howard said let's look at it. Tokos said it depends on what we want. Do we want to add the cost of administration as an active project for that plan, or do we simply just want to say that we're not going to collect administrative costs because of the small amount of indebtedness. Busby thought we should be consistent with the others. Howard asked, so it should have an administrative cost with it. She said if we're going to do that, we'll need to figure out that amount and then reduce the project costs accordingly because we have that \$42 million limit; which is fine. She said they will go back in and try to figure out an administrative cost that ties to the project cost, and then they'll reduce project costs equally among the projects. Geltner asked, so when we meet next week is it possible that \$39,350,000 will change. Howard said it's going to change a little bit because we're going to add some administration for the MacLean Point. It will go down a little bit because that doesn't include administration. It shouldn't go down too much because if they do it proportionately to the amount of money the way they did on the other one. They will work on the spreadsheet a little bit to figure out how to do that. Geltner asked if they used a percentage. Howard said they started with this project list and then took the \$42 million from this list and said we have \$2 million something to add to it and they spread that across. She said they did it arbitrarily, they took that amount of money and did it over the years of that other Urban Renewal Plan. What they could do is reduce that a little bit, and take some of that administration and allocate it to the MacLean Point. Keep this number static. The committee members thought that made sense. Howard said we'll keep this number the same and will reduce some of the projections on administration in the Northside and add that to MacLean Point. Belmont assumed that when you're talking about administrative costs, you're not talking about engineering plans; that's part of the project costs, not administration. Tokos said that's correct. Tokos said that's one of the things he wanted to clarify under administration. You have the administrative cost but there's a need to memorialize the relationship between the Agency and the City with respect to implementation of the projects too; which the practice that we've been doing that he just shared does. So if we have three projects we're going to go out and design and build as Urban Renewal projects, the Agency authorizes the City to do that on its behalf. The Agency is not bound to use the City. They can use a third party to do the project if they feel that's appropriate. It's prudent that we document that relationship with respect to projects as well as just administrative costs.

**Socio Economic Data:** Howard said ECONorthwest was able to get this information out of the US Census data. They were able to get it as specific as they could to the Agate Beach neighborhood. It doesn't have a lot of relevance to projects; it's just a requirement of the plan so it's mostly just of interest. She compared it to Newport at large, and there really weren't a lot of big differences. These are always interesting to her because she can compare this to other cities where she's worked. It gives her a handle on what's going on in the community a little bit. The majority of Newport residents are between 25 and 74 years of age. If she were comparing this to the City of Bend, theirs are younger; they have a lot more kids. Our racial makeup is 88% white, and we have a variety of other races; which is pretty much the same across Oregon. Newport has a much higher percentage of folks who travel less than 10 minutes to work; 41%. She just did the same thing for Wilsonville, and their time to work of less than 10 minutes was like 3 or 4%. She said we do a really good job of keeping our folks in the community. She said the thing we might want to look at is those that drive alone to work was 73%. From the audience, Ellen Bristow raised the question if these other comparisons could be viewed on the website; or we're just assuming. Howard said she didn't have that comparison. She did compare them on her own; although she's not required to. Tokos asked Howard to cover why we're covering Agate Beach socio economic data and not elsewhere. Howard said the socio economic data we're supposed to cover is for residents, and Agate Beach is the residential area. We don't really have a lot of residents in a lot of the other areas. She said it wouldn't be hard for her to provide the entire Newport data for comparison. Howard said our education factors are very similar to what the rest of the state usually has; we have 11% with less than high school education.

**Meeting schedule:** Howard said at the next meeting we'll be talking about the financials more and then any input about the open house and things you think we can do to make sure we get a lot of good public input from that. The August 18<sup>th</sup> meeting is just so they can go inform the Port Commission about the McLean Port Plan. August 31<sup>st</sup> will be the last meeting as an advisory committee. Howard will try to send some of the financial information out before the next meeting. She said it's really complicated spreadsheet-kind of information. She'll send it out and then we'll walk through it at the meeting for input and questions.

**Public Comment:** Going back to the Agate Beach socio economic information, audience member Carla Perry said Agate Beach is more of an affluent retired area so very few people need to commute to work. She doesn't think the ten minute commute is representative. She asked how the development of MacLean Point folds into the Comprehensive Plan for the Yaquina River because that talks about protection and mitigation of sites. Policy Number 13 is protection of significant wildlife habitats and conservation of recreational and aesthetic values. Her understanding is MacLean Point is all fill. She asked how does infrastructure and development work into that. Tokos said in terms of protection of natural resources, those policies were implemented through an estuary management plan that the City and the County did a number of years ago. Part of that was the establishment of areas that would be considered development areas that were recognized to have development in them and areas that were set aside for natural and conservation purposes. The area in front of MacLean Point is a development area. It's had a Port terminal there historically, and the site has historically been used for industrial purposes. That's how it was being used at

the time those plans were being put in place. Conservation areas are further down to the south in the southern portion of the bay. There are wetlands located on the property. Those have established in part because of changes to the terrain out there by moving fill around and things of that nature. They would have to mitigate these wetlands. The Port and the property owners are aware of that; they have a plan. They have to engage the Department of State Lands. They can be mitigated; that's permissible under state law. That's something they would be responsible for. As for construction on the fill, that's a factor that has to be taken into consideration for development mostly anywhere in Newport in terms of how it's conducted and what kind of load you should be putting on it and things of that nature. That area in our Comprehensive Plan is a heavy industrial area and has been for a long period of time. Our Comprehensive Plan policies on the economic side recognize the relationship between this undeveloped industrial site and that Port terminal. This is viewed as a very vital area for support of industrial uses. Perry asked even though there's a natural gas tank on that property. Tokos said that natural gas tank occupies a portion of the property, but that tank doesn't preclude development of the industrial property.

A gentleman in the audience had a question regarding the couplet. He said he hasn't seen anything that says this is what we're looking at. He's sure the number you came up with had to be around some sort of path chosen through the city; otherwise you're just pulling numbers out of the air. He asked if there's a path laid out even though it may not be taken. Tokos said there is kind of a general alignment in the Comprehensive Plan that he can pull out. Ellen Bristow asked Tokos if he could show on the map where the 7<sup>th</sup> Street alignment would be. Tokos said there are two different potential locations in the Comp Plan; one would be 9<sup>th</sup> Street and would be more or less where it branches off 101. The concept for 7<sup>th</sup> Street is also an option and runs on the opposite side of 101. Those would be looked at as part of the commercial core area refinement plan. Bristow asked what the timeline is for looking at those two options. Tokos said assuming the plan goes into place and we have a first increment coming off in 2017, he would expect somewhere between 2017 and 2020. Bristow asked what sets the criteria for judging those. Tokos said we would be working with ODOT as part of that conversation because that is their facility. He would anticipate that as part of setting up the program for conducting the refinement plan, we would map out a certain process that will be followed. He would expect that that process would be fairly graphic. The criteria would be spelled out as part of that process. That would be established as we move into that planning process. We would work with ODOT and the Commission to begin to set a framework before we put that out and start that process. There will need to be some criteria that we put together and frame a structured process for public involvement to come up with a solution for the core area transportation network. What that process looks like right now, he can't say because it hasn't been developed. But we would need to do that before we start the process. There will be consultants we bring in. We will need to bring in what we're weighing those against in that process. In response to a question from Geltner, Tokos said there was a map back in 2008 when they did that amendment to the transportation plan.

Perry noted that she attended the last evening meeting. She didn't hand in the questionnaire that evening but faxed it in the next day. She noted that she didn't see those comments on the summary list. Howard said we would look into that after the meeting.

Croteau said from the Planning Commission point of view, pretty much everyone agrees that there's a problem on 101. They looked at what are the solutions and what are these extremes. A new bridge is way into the future. So what do you do in the next 20-30 years? The only option to the west is 7<sup>th</sup>, and the only option to the east is 9<sup>th</sup>, or the other option is everything on 101. He thinks that is why those parameters were set out as possibilities; and at this stage that's all they are. We will need a lot more expert input. It's a major undertaking. He said what you are seeing are the two extremes of it.

Geltner said as a member of the City Center Newport Association long before he got involved they feel they were threatened by ODOT to solve the problem by taking parking off 101. But in this larger context it's a smaller price to pay than the couplet. He said it begs the question of does the site acquisition and those kinds of expenses for the narrowest portion bear that. He assumes we'll get to that discussion. Howard said we will get to that in the refinement plan.

**Adjournment.** Howard thanked everyone for coming; and having no further business to discuss, the meeting adjourned at 12:00 noon.

Respectfully submitted,

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Wanda Haney  
Executive Assistant